

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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November 2, 2009

Mr. Daniel Boody, Business Manager, Secretary-Treasurer
Painters, AFL-CIO
District Council 4
585 Aero Drive
Cheektowaga, NY 14225

LM File Number 042-228
Case Number: [REDACTED]

Dear Mr. Boody:

This office has recently completed an audit of Painters District Council 4 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with yourself and Nancy Boody, Bookkeeper on October 28, 2009, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, labor organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of District Council 4's 2008-2009 records revealed the following recordkeeping violations:

1. Credit Card Expenses

District Council 4 did not retain adequate documentation for credit card expenses incurred by Business Manager Daniel Boody totaling at least \$2,800. Business Manager Boody used primarily two union credit cards for expenses related to union business including meals, gas, hotel and airfare expenses. Approximately \$1,750 in charges on one credit card was undocumented and \$1,050 on the second credit card. The credit card expenses without backup documentation represented approximately 5% of the total charges to the two union credit cards used by Business Manager Boody.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and business manager/secretary-treasurer of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Meal Expenses

Receipts for some meal expenses incurred were not maintained by District Council 4. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

District Council 4 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. A portion of the \$2,800 of credit card expenses without backup documentation mentioned in the previous paragraphs were comprised of meal expenses incurred during union business. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

Based on your assurance that District Council 4 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. District 4 amended its constitution in 2006, but did not file a copy with its LM report for that year.

District Council 4 has now filed a copy of its constitution. Please remember to electronically file copies of the same any time they are amended in the future.

I want to extend my personal appreciation to Painters District Council 4 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

Mr. Daniel Boody
November 2, 2009
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cc: James Creighton, President